

SENATE BILL 3288

By Harper

AN ACT to amend Tennessee Code Annotated, Title 67,
relative to the collection and allocation of taxes
associated with professional sports franchises and
indoor sports facilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-1703, is amended by deleting subsection (e) and by substituting instead the following:

(e) All privilege taxes collected by the commissioner pursuant to § 67-4-1702(a)(7) from any National Basketball Association (NBA) player or National Hockey League (NHL) player shall be deposited into a municipal government fund located in the same municipality as the indoor sports facility in which the game was played. For counties with metropolitan forms of government, the funds shall be held for the exclusive use of the sports authority, or comparable municipal agency formally designated by the municipality, in accordance with title 7, chapter 67. For all other municipalities, the funds shall be held for the exclusive use of the convention and visitors bureau in the municipality. Amounts allocated pursuant to this subsection (e) shall be used exclusively for the payment of, or the reimbursement of, as directed by the facility manager, expenses associated with the operation, improvement, or maintenance of or securing current, expanded or new events for indoor sports facilities owned by a municipal agency formally designated by the municipality, in accordance with title 7, chapter 67.

SECTION 2. Tennessee Code Annotated, Section 67-6-103, is amended by deleting subdivision (d)(1)(A)(ii) and by substituting instead the following:

(ii) If an indoor sports facility owned by a sports authority organized pursuant to title 7, chapter 67, in which a professional sports franchise is a tenant, exists in a county

with a metropolitan form of government, then an amount shall be apportioned and distributed to the municipality equal to the amount of state tax revenue derived from the sale of admissions to all other events occurring at the indoor sports facility and from all other sales of food and drink and other authorized goods or products sold on the premises of the sports facility, parking charges, and related services. The amounts distributed to the municipality shall be for the exclusive use of the sports authority, or comparable municipal agency formally designated by the municipality, in accordance with title 7, chapter 67.

SECTION 3. Tennessee Code Annotated, Section 67-6-712, is amended by deleting subdivision (c)(1)(B) and by substituting instead the following:

(B) In addition, if an indoor sports facility owned by a sports authority organized pursuant to the provisions of title 7, chapter 67, in which a professional sports franchise is a tenant, exists in a county with a metropolitan form of government, then an amount shall be apportioned and distributed to the municipality equal to two-thirds (2/3) of the amount of the allocation of local tax revenue under subdivision (a)(2) derived from the sale of admissions to all other events occurring at such indoor sports facility and from all other sales of food and drink and other authorized goods or products sold on the premises of the indoor sports facility, parking charges, and related services. Such amounts distributed to the municipality shall be for the exclusive use of the sports authority, or comparable municipal agency formally designated by the municipality, in accordance with title 7, chapter 67.

SECTION 4. In any county having a metropolitan form of Government, any unexpended funds collected and in the possession of an entity attached to a committee provided for in Chapter 1004, § 2 of the Public Acts of 2008, which funds have accrued subsequent to and as a result of the enactment of Chapter 530, §§ 62, 63 or 65 of the Public Acts 2009, shall be remitted to the municipality for the exclusive use of the sports authority, or comparable municipal agency formally designated by the municipality, in accordance with title 7, chapter 67.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.